WHAT IS CLAIMED IS:

1. A method of operating a simulated trading system, comprising the steps of:

    setting up an account with a predefined portfolio of nonzero value for each of a plurality of participants;

    accepting trades from the plurality of participants;

    applying the trades to the portfolios of the trader participants; and

    awarding each participant an amount that is a function of their portfolio's performance over an investment period.

2. The method of claim 1, wherein the step of setting up an account is a step of setting up an account with a portfolio of a predefined cash amount.

3. The method of claim 1, wherein an amount awarded at the end of the investment period is all of the net profits the participant made during the investment period.

4. The method of claim 1, wherein an amount awarded at the end of the investment period is a percentage of less than 100% of the net profits the participant made during the investment period.

5. The method of claim 1, wherein an amount awarded at the end of the investment period is all of the net profits the participant made during the investment period up to a predetermined maximum award.

6. The method of claim 1, further comprising a step of executing trades made by the participants with the traded securities held in the name of a system operator or the participants.

7. The method of claim 1, further comprising a step of offsetting risk to a system operator by one or more of sponsorships, advertising and participant fees.

8. The method of claim 1, further comprising the steps of:

    accounting for the trades as if the participants made the trades with some predetermined delay; and

    executing hedging transactions in response to participant trades.

1   9. The method of claim 8, wherein the predetermined delay is a delay to

2   the market close.